

**Special Accounts Senior Management Committee (SASMC) Meeting**  
**Meeting Notes and Action Items**  
**January 30, 2013 2pm – 3pm**  
**Ariel Rios South, Room 5213**

**Attendees in Person:**

Jim Woolford, OSWER/ OSRTI/Director  
Tracey Stewart, OSWER/OSRTI  
Patricia Mott, OECA/OSRE/RSD/Regions 5, 7 & 10 Branch Chief  
Raffael Stein, OCFO/OFS/Director  
Steve Silzer, OCFO/OFM/Director  
Jeanne Conklin, OCFO/OFM/Deputy Director  
Nikki Wood, OCFO/OFM/PCS  
Dale A. Miller, OCFO/OFM/FPPS  
Rafael DeLeon, OECA/OSRE/Deputy Director  
Elliott Gilberg, OECA/OSRE/Director  
Laura Ripley, OCFO/OB  
Manuel Ronquillo, OECA/OSRE/RSD  
Amy Vandenburg, OSWER/OSRTI/RMD  
Rishi Das, Booz Allen Hamilton (Contractor Support)

**Attendees via phone:**

Greg Luebbering, OCFO/OFS/CFC  
Peter Hendrickson, OCFO/OFS/CFC  
Donna Vizian, Region 2/OPM/Assistant Regional Administrator  
Donald Pace, Region 2/Comptroller  
Jennifer Thatcher, Region 2/OPM  
Carl Edlund, Region 6/SFD/Division Director  
Doretha Christian, Region 6/SFD  
Lisa Price, Region 6/SFD  
Anthony Smaldon, Booz Allen Hamilton (Contractor Support)  
Christopher Tomsovic, Booz Allen Hamilton (Contractor Support)

## **Introduction**

The SASMC meeting began with the in person attendees introducing themselves and Jim Woolford welcoming representatives from Region 6, the current Superfund lead region, and Region 2, the current management lead region, both of whom were attending via phone. Jim Woolford noted that Tracey Stewart is back from maternity leave, and thanked Amy Vandenburg for her service for stepping into Tracey's role and keeping the committee on track.

## **Highlights from the Past 6 Months**

Jim Woolford discussed highlights from the last 6 months. First, he noted inquiries from the Surveys and Investigations Staff of the House Appropriations Committee regarding the uses of special account funds. He informed the group that the Agency responded to the inquiries, but the Agency has not received any new information or requests since July 2012. Second, he noted that the national special accounts available balance decreased by \$48 million from the year before, equivalent to a 3% reduction. Jim

Woolford noted that this was the first time in the history of the program that such a reduction occurred. However, he noted that there could be some fairly significant settlements that are likely to occur during the current fiscal year resulting in large receipts that would increase the overall national balance. He also mentioned that Fiscal Year (FY) 2013 Special Accounts Work Planning was conducted from October to December 2012, noting that the planned obligations of special account funds for outyears shows a decreasing trend, which is a concern for him. He mentioned that he will request the regional Superfund Division Directors review the planned uses in the coming year to ensure outyears are as accurate as possible. Lastly, he noted that the agency issued a memorandum in December 2012 regarding the use of special account funds to support Resource Conservation and Recovery Act (RCRA) corrective actions.

## Superfund Remedial Sustainability Initiative (OSRTI)

Jim Woolford informed the group about the Superfund Remedial Sustainability Initiative, which is an Office of Site Remediation and Technology Innovation (OSRTI) effort aimed at improving cost efficiency and effectiveness of the Superfund Remedial Program. He noted that there was a significant reduction in the Remedial program's budget from FY 2011 to FY 2013. However, he noted that the Remedial program has been able to withstand the budget cuts by decreasing the contracts budget, [REDACTED]

In looking at FY 2013 and potential budget sequestration, he noted that the Remedial budget would decrease to about \$518 million, down from \$564 million in FY 2012 (see Slide 5). The potential decrease in the budget would impact the Remedial program's cleanup efforts, from discovery through the construction projects. He also noted that there were 22 unfunded construction projects at sites that were ready to go in FY 2012. [REDACTED]

[REDACTED] As a result of the decreased budget, he also stated that the timeframe for completing cleanups will increase due to a lack of resources. Woolford noted that the net result of these budget cuts equates to less work done by the agency, and ultimately less protection of human health and environment.

Jim Woolford noted that the Agency was challenged [REDACTED] to come up with a plan to ascertain whether the agency can make its scarce resources go further. Jim Woolford noted that the Agency is focusing on driving down transaction costs and making dollars go further in terms of performing work. He mentioned the fact that there is also a cultural challenge that needs to be addressed within the relationships between Headquarters (HQ) and the regions. He also noted that Superfund is a national program implemented through the regions and the regions have their own cultures and their own ways of doing business. [REDACTED]

He also noted that there are many opportunities in the Superfund Remedial program to make improvements; particular examples include focusing on the operational processes and relationships. There are also many transaction costs that are somewhat self-inflicted by the program and directed by the Office of the Inspector General (OIG). He noted that the Remedial program will have to analyze how it plans, how it budgets, how it reviews documents, what documents it reviews, and how it operates overall. Jim Woolford challenged everyone in the program to help come up with ideas to relieve transaction costs. He referred to recent technology upgrades and the need to assess acquisitions. He also

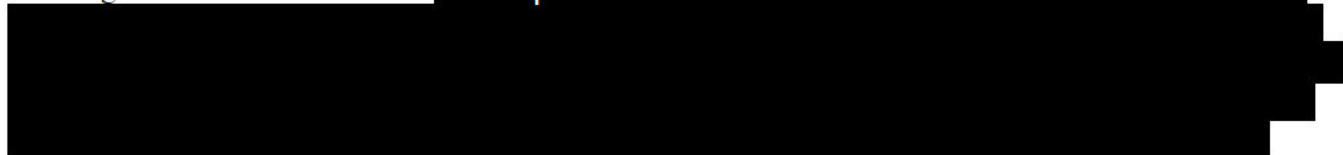


suggested a need to improve shared resources across the Agency, across regions and between HQ and the regions.

Jim Woolford expressed concern around workforce constraints and the fact that several regions have hiring freezes in place. As a result of those hiring freezes, regions are not able to backfill positions thereby affecting the agency's ability to do work. He mentioned taking a look at Superfund's internal processes because many of the processes require involvement from several parties. He suggested taking a Lean Six Sigma approach, which would minimize the number of parties involved in order to increase efficiency in the processes. Jim Woolford also expressed concern with the large number of retirements and retaining the knowledge maintained by those employees leaving the agency.

A committee known as the Steering Committee, chaired by Robin Richardson, Director of the Resources Management Division (RMD) within OSRTI, has been designed to review areas of opportunity and prioritize those opportunities. The Steering Committee has 16 members (6 from HQ and 10 from the regions) and consists of Remedial Project Managers (RPMs), Branch Chiefs, Division Directors, and Deputy Division Directors. The Steering Committee will also give special attention to near term returns on investments, as well as long term returns on investment.

Jim Woolford noted that there are two main topics regarding special accounts being discussed by the Steering Committee and OSRTI. **Exemption 5 - Deliberative Process**



The Steering Committee will create a list of prioritized projects by the end of February, and have an action plan to implement by the end of March. The next steps for the Steering Committee will be to gather information, suggestions, and ideas from the regions and OSRTI. As special account items come up, OSRTI will coordinate any actions necessary with the SASMC.

In regards to sequestration, Steve Silzer asked if the program had considered how Superfund State Contract (SSC) costs would be affected. Tracey Stewart noted that the Office of General Counsel (OGC) had determined that cost share collected pursuant to SSCs will be subject to sequestration if it occurs. Laura Ripley noted that interest earned on funds in special accounts will be subject to sequestration. However, the principal in special accounts and previously earned interest will not be subject to sequestration.

## **Special Accounts Management Strategy Update (OSRTI)**

Tracey Stewart discussed the background of the Special Accounts Management Strategy, noting that it was originally developed and issued in 2009. Around that time, there was a lot of activity related to special accounts, including the development of the Management Strategy, the development of the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) Special Accounts planning screens, and the Office of Inspector General (OIG) review of special accounts. Currently, the strategy is updated every two years with the most recent update and reissuance in 2011. There have been no major changes to the strategy since it was originally developed. Tracey Stewart proposed a couple of changes to the strategy to best fit the costs and needs based on the last few years. The first proposed change is to only update the strategy every three years, instead of every two



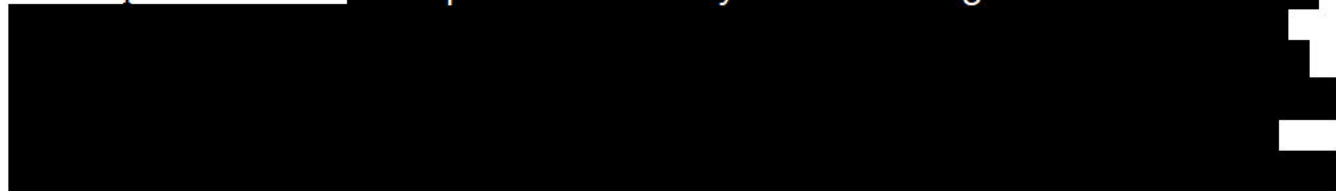
years, as there are no major changes so far, and small details can be changed in the work plan of the strategy in the interim. Another proposed change is to remove the expectation that special accounts should be planned within 3 months of account establishment. This expectation remains in the 2010 Planning and Use Guidance, but planning is really only monitored on a 6 month cycle between final work planning and mid-year review. Steve Silzer asked about the value added versus the cost of monitoring special account planning within 3 months of account establishment. Tracey Stewart responded that most regions do plan funds deposited in their accounts within a reasonable timeframe, and if they aren't planned then they would be caught in HQ's reviews every 6 months. There would be very little value to adding another review every 3 months.

Tracey Stewart also proposed the following tasks to be added to the strategy. First, the internet would be updated at least annually with a summary of special account financial information. Currently, the most up to date information is from FY 2011. Jeanne Conklin requested that the financial data be provided to Nikki Wood in the Office of Financial Management prior to it being posted on the internet to ensure the data is certified in accordance with current requirements. Second, fact sheets would be developed for the public on special accounts. Carl Edlund requested that a draft of the fact sheets be provided to the regions for review prior to being finalized. Tracey Stewart recommended that one type of fact sheet being considered includes a template for the regions to modify to fit their particular region or site. Patricia Mott mentioned that in the past regions have not wanted account specific information to be made available publicly due to potential negotiations with potentially responsible parties (PRPs) at a site. Tracey Stewart agreed that the group would need to discuss the appropriateness of developing such a fact sheet. Third, OSRTI will maintain a special accounts communications strategy that would be updated annually, and in combination with the Office of Site Remediation and Enforcement (OSRE), will ensure special account planning capabilities are maintained during the transition to the Superfund Enterprise Management System (SEMS). Tracey Stewart also proposed that guidance and training be developed at the direction of the SASMC to increase utilization and ensure proper management of special accounts. In addition, she suggested that the task of regional training on the CERCLIS special accounts management screen that is offered annually be removed from the strategy. Instead, the training should be offered when needed.

The SASMC did not raise any objections to the changes proposed for the strategy. The next steps are to send the strategy to all of the special accounts contacts in the regions to get their input and comments. Tracey Stewart stated that the goal is to have all of the comments incorporated and the updated strategy issued by the end of April 2013. If the committee has any comments on the strategy, they should get back to Jim Woolford and Tracey Stewart by close of business (COB) Tuesday, February 5<sup>th</sup>.

## **Accessing Financial Assurance Vehicles under UAOs** **Exemption 5 - Attorney-Client Privilege (OSRE)**

Elliott Gilberg and Manuel Ronquillo began by discussing that OSRE and OSRTI have been engaging in ongoing discussions with OGC to better understand how EPA can access Unilateral Administrative Order (UAO) financial assurance funds so that the funds can be deposited in a special account and used for site-specific activities. **Exemption 5 - Attorney-Client Privilege**





Exemption 5 -

Steve Silzer indicated that OCFO was in agreement that the funds should be used for work at the site if possible.

## Compass and SEMS (OSRTI)

Jim Woolford noted that SEMS will be replacing CERCLIS in the fall 2013. He noted that FY 2014 special account work planning will be conducted in SEMS. The Office of Environmental Information (OEI) Chief Information Officer (CIO) has identified the Compass connection as a critical path task for SEMS development. Exemption 5 - Deliberative Process

He continued that the work is ongoing to make the systems work and enable Superfund site-specific planning. Raffael Stein asked who OSRTI has been working with in the Office of Technology Solutions (OTS). Laura Ripley said she would follow-up with Raffael Stein regarding the contact in OTS.

## Signature of Documents Approved by the Committee (OSRTI)

Jim Woolford asked for the SASMC's approval for the OSRTI director to issue documents and guidance on behalf of all the members of SASMC. Currently, for each document OFM, OSRE, and OSRTI all sign the document. He offered that offices could provide concurrence on a document via email prior to the OSRTI signature and issue. Each document would have wording to show that it is being issued on behalf of the SASMC.

## Upcoming Special Account Items

Tracey Stewart discussed the upcoming response to the report language accompanying the House Appropriations Committee mark-up of EPA's FY 2013 appropriations bill. The SASMC needs to write a report addressing HAC's concerns about using special account funds for long-term uses (e.g., five year reviews) rather than short-term uses at Superfund sites within 120 days of enactment of the FY 2013 appropriation bill. Tracey Stewart is working on that report, and will have a draft for the SASMC to review by the end of this week.

Elliott Gilberg discussed possible future settlements of relatively large amounts that could be deposited into special accounts.

Tracey Stewart mentioned that staff will begin developing special account fact sheets for the public as soon as the HAC report and the Special Accounts Management Strategy have been completed.

Steve Silzer requested that everyone ensure Nikki Wood is included on distributions related to special accounts (formerly Nikki Robinson).

The meeting was adjourned.

## Action Items

Below is a list of action items identified during the meeting:

Item	Lead	Due Date
Provide to staff a draft of the response to the HAC Report language for review	Tracey Stewart	2/1/2013 Completed 1/31/13
Provide comments on management strategy to Jim Woolford and Tracey Stewart	All	COB 2/5/2013 Completed 2/5/13
Send the name of the Office of Technology Solutions (OTS) contact to Raffael Stein	Laura Ripley	No due date assigned Completed 1/30/13